



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 24, 2009

Jeff Sagers
Southwest Stone
2421 West 350 North
Hurricane, Utah 84737

Subject: Approval of Amended Notice of Intention to Commence Large Mining Operations and Form and Amount of Reclamation Surety, Southwest Stone, Limestone Mesa/Desert Bronze, M/053/059, Washington County, Utah

Dear Mr. Sagers:

On February 4, 2009, the Division received a revised NOI for the referenced mine site. This was submitted as a requirement to abate cessation order # MC-2008-01-01, issued April 10, 2008. The revised NOI updated the areas affected by mining operations and adjusts the reclamation surety that is required for this site. Near the end of our review, you also submitted a request for partial bond and/or site release. This was also reviewed and is incorporated in this approval.

Based on maps submitted, and inspections by both the Division and BLM, the attached map was prepared which summarizes the Disturbances at your site and the current status of each area (such as regraded, reclaimed, or active). 33.2 acres have been affected by this operation. Of this acreage, 16.3 acres is in some stage of reclamation, and remaining 16.9 acres is considered active. The original bond amount was re-calculated (copy attached) based on the amount of reclamation completed, as well as what tasks need to be completed. Please note, until revegetation is successful, the Division must hold an appropriate amount of surety to reseed the areas identified as reclaimed.

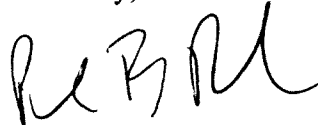
Currently, the BLM holds \$11,600 surety for this site. The Division holds \$43,400, for a combined total of \$55,000. This is \$9,800.00 excess of what is required. Your request for bond reduction stated that you wanted to apply the amount released toward the bonding of a site in Emery County. At the current time, we do not have a proposed or approved mining operation for Southwest Stone in Emery County. It is assumed that the operation you are referring to is the Reef Mine (S/015/0094). If this assumption is correct, before the Division could transfer the excess bond amount from the Limestone Mesa/Desert Bronze permit, you will need to have the Reef Mine permit transferred to Southwest Stone (the Reef Mine was permitted under Castle Valley Stone, LLC). If the assumption was incorrect, then you will need to submit a new Notice of Intent. The Division can either hold the excess funds until this is completed or we can process the release of these funds at this time. Please inform us as to your preference.



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Thank you for your cooperation and patience in completing the review and update of your Limestone Mesa/Desert Bronze Quarry. As always, please don't hesitate to call myself at (801) 538-5261 or Lynn Kunzler at (801) 538-5310 if you have any questions regarding this letter.

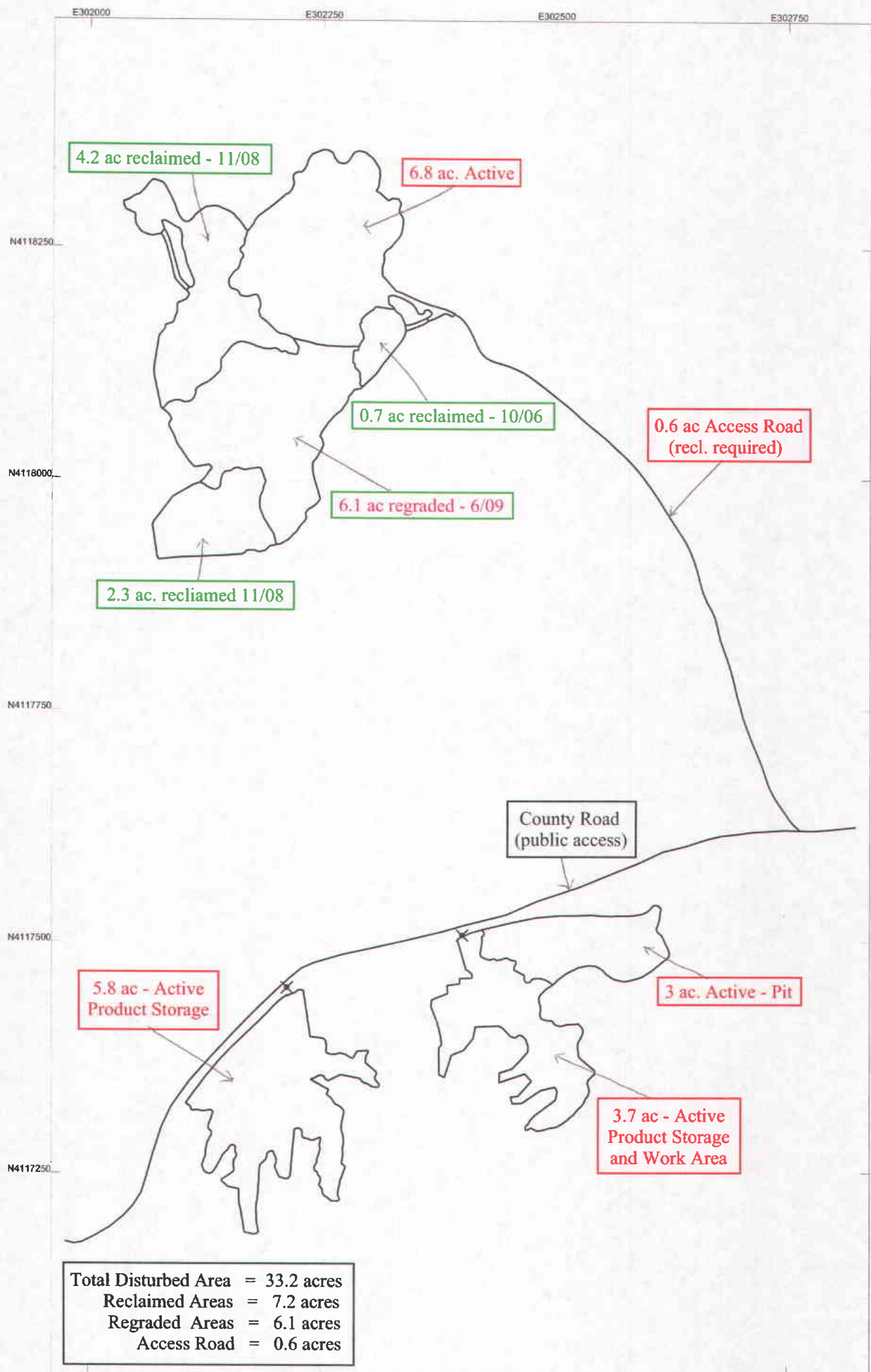
Sincerely,

A handwritten signature in black ink, appearing to read 'PBB', is written above the printed name.

Paul B. Baker
Minerals Program Manager.

PBB:lk:vs
Attachments: Current Status Map
Bond Calculation Sheet
cc: Russ Schreiner, BLM, St George FO (UTU-81481) w/Atch.
O:\M053-Washington\M0530059-Limestone Mesa\Final\appvl-2989-08172009.doc

Southwest Stone Limestone Mesa DOGM file Number M/053/059 Prepared by Utah State Division of Oil, Gas & Mining	filename M053-059.xls Washington County	BLM file # UTU72242			
<p>Note: actual unit costs may vary according to site conditions</p> <p>-Amount of disturbed area which will receive reclamation treatments = 18 acres</p> <p>-Estimated total disturbed area for this mine = 33 acres</p>					
<p>last unit cost update 03/01/05</p>					
Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mtls & installation)	3	Sum	250	750	(1)
Debris & equipment removal - trucking	2 trips		64	128	(3)
Debris & equipment removal - dump fees	20 ton		70	1400	(4)
Debris & equipment removal - loading trucks w/FEL	4 hours		210	840	(5)
Demolition & debris removal - general labor	4 hours		27	108	(6)
Regrading facilities areas (2ft depth)	6 acres		710	4260	(7)
Regrading waste dump slopes	4000 CY		0.70	2800	(8)
Ripping waste dump tops	2 acre		286	572	(9)
Ripping stockpile & compacted areas	12 acre		286	3432	(9)
Ripping pit floors	0 acre		286	0	(9)
Ripping pit access roads (2ft depth)	0 acre		710	0	(9)
Creating safety berms or barriers around highwalls	0 LF		0.25	0	(10)
Ripping access roads- dozer	0.6 acre		286	172	(9)
Regrading access roads - dozer	0 acre		286	0	(9)
Sidecast mtl replacement of steep slopes - trackhoe	0 LF		1.45	0	(11)
Surface drainage restoration or construction	0 LF		0.25	0	(10)
Ripping prior to seeding	15 acres		286	4290	
Topsoil replacement - dozer	3000 CY		0.68	2040	(12)
Topsoil replacement - scraper	0 CY		1.39	0	(13)
Topsoil replacement- truck and FE loader	0 CY		3.02	0	(14)
Broadcast seeding	33 acre		280	9240	(00)
General site cleanup & trash removal	12 acre		75	900	(00)
Equipment mobilization	2 equip		2000	4000	(00)
Reclamation supervision -10% of reclamation estimate				3615	(15)
	Subtotal			38547	
10% Contingency				3855	
	Subtotal			42401	
Escalate for 5 years at 1.3% per year				2829	
	Total			45230	
Rounded surety amount in year 2010 \$				45200	
Average cost per disturbed acre =				1371	



Desert Bronze/Limestone Mesa - M/053/0059

UTM
12 North
NAD 1927 (Conus)

N

Scale 1:4,800



4-08-5-09 Combined.cor
8/11/2009

GPS Pathfinder[®] Office
Trimble.